

# School Finance in Texas

Select Committee on Public School Finance  
Weights, Allotments & Adjustments

Texas Association of School Business Officials

March 23, 2010

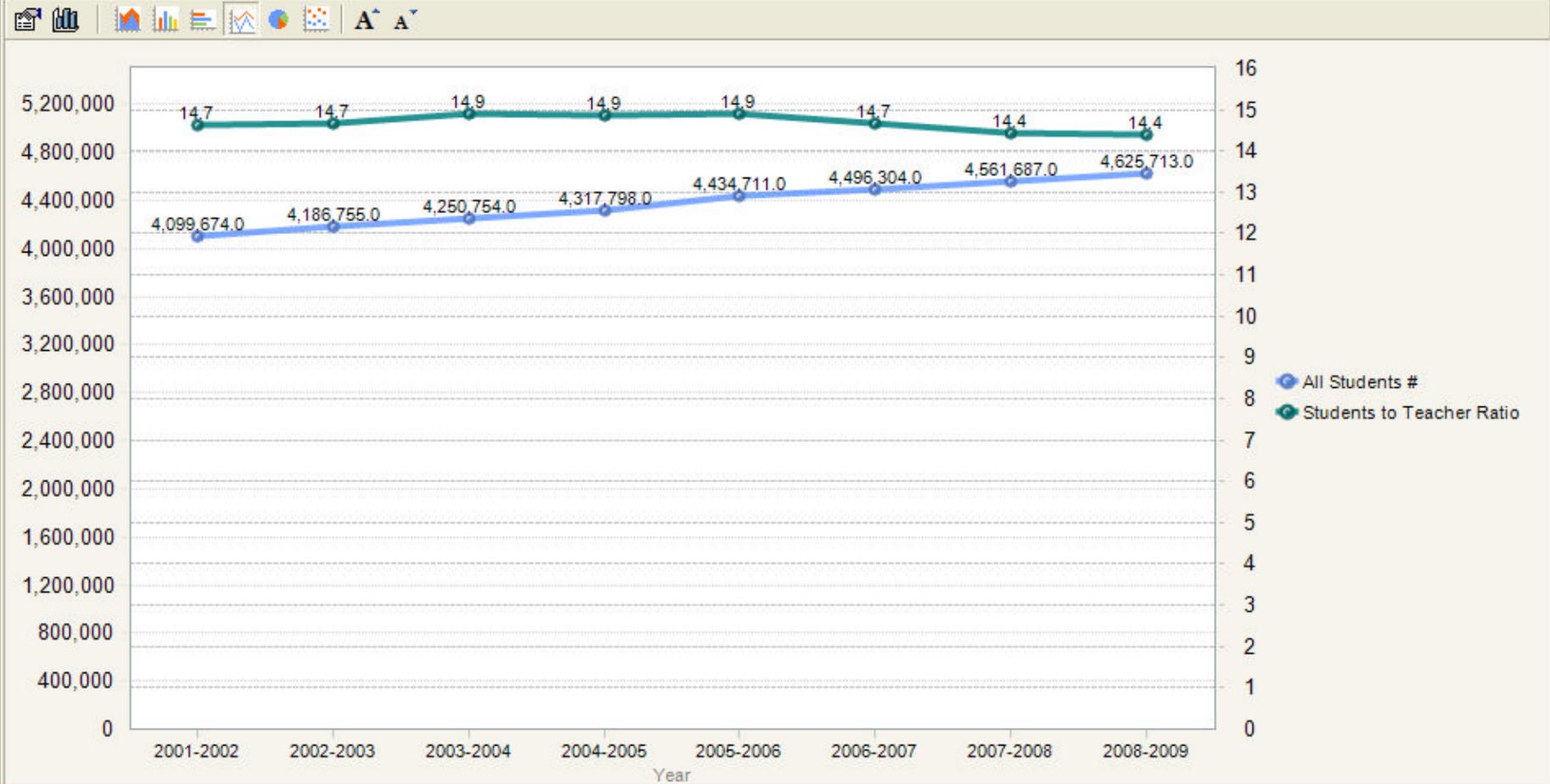
# Doing More with Less

More ISDs struggling to adopt balanced budgets

- Student Demographics State-wide
  - Increasing enrollment
  - Low income students
  - English not primary language
- Increasing costs
  - Inflation
  - Utility costs
  - Property insurance
  - Health insurance

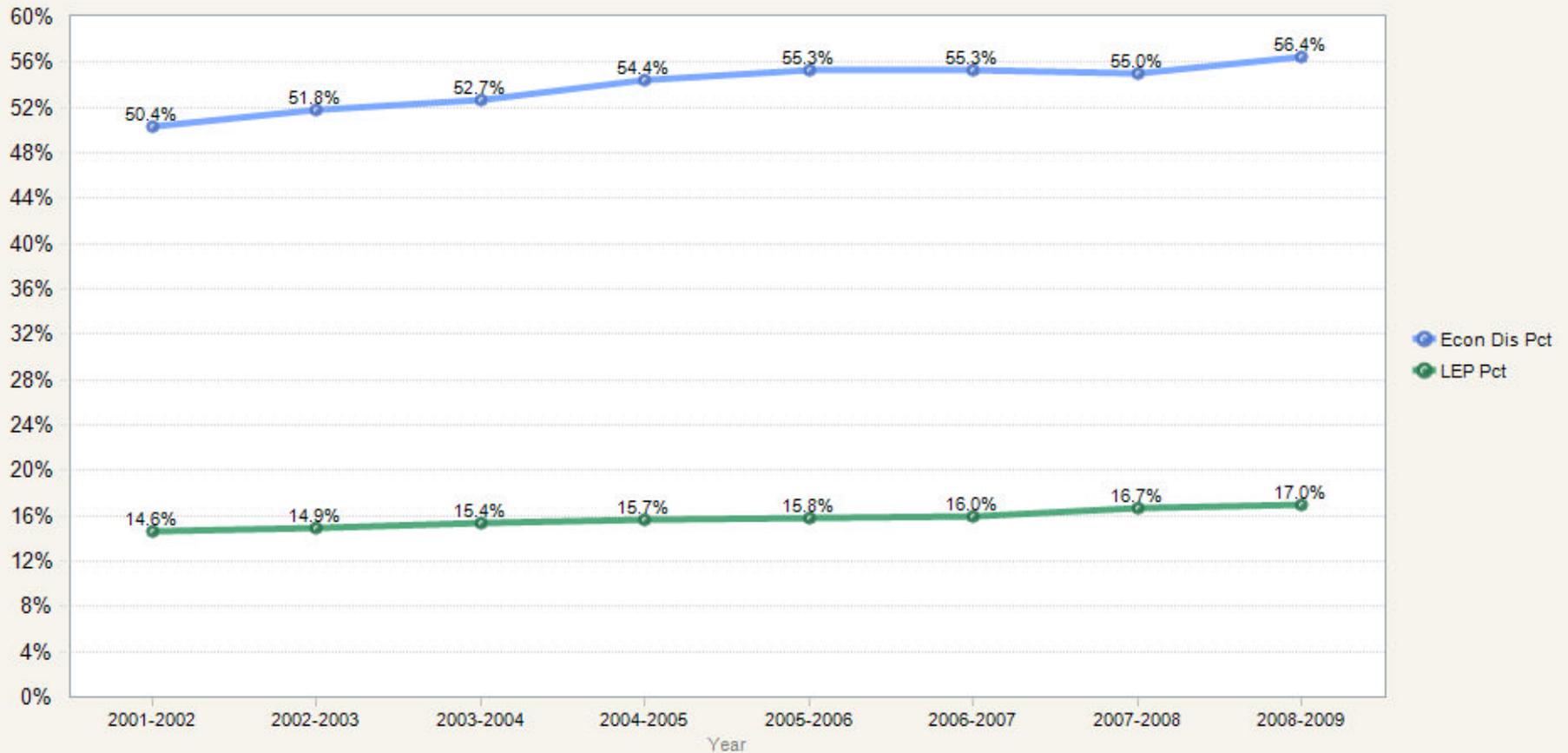
# Student Demographics Cont....

Student Staff Ratio Trends



# Student Demographics Cont....

Econ Dis Pct, LEP Pct



# Other Challenges

## Complexities increasing yearly

- Mandates
  - State law
    - Texas administrative code
  - Federal requirements
  - Inconsistent standards
- Our members have crossed over from all types of business sectors and governmental arenas
  - Consensus – Public education administration is the most complex

# Other Challenges Cont....

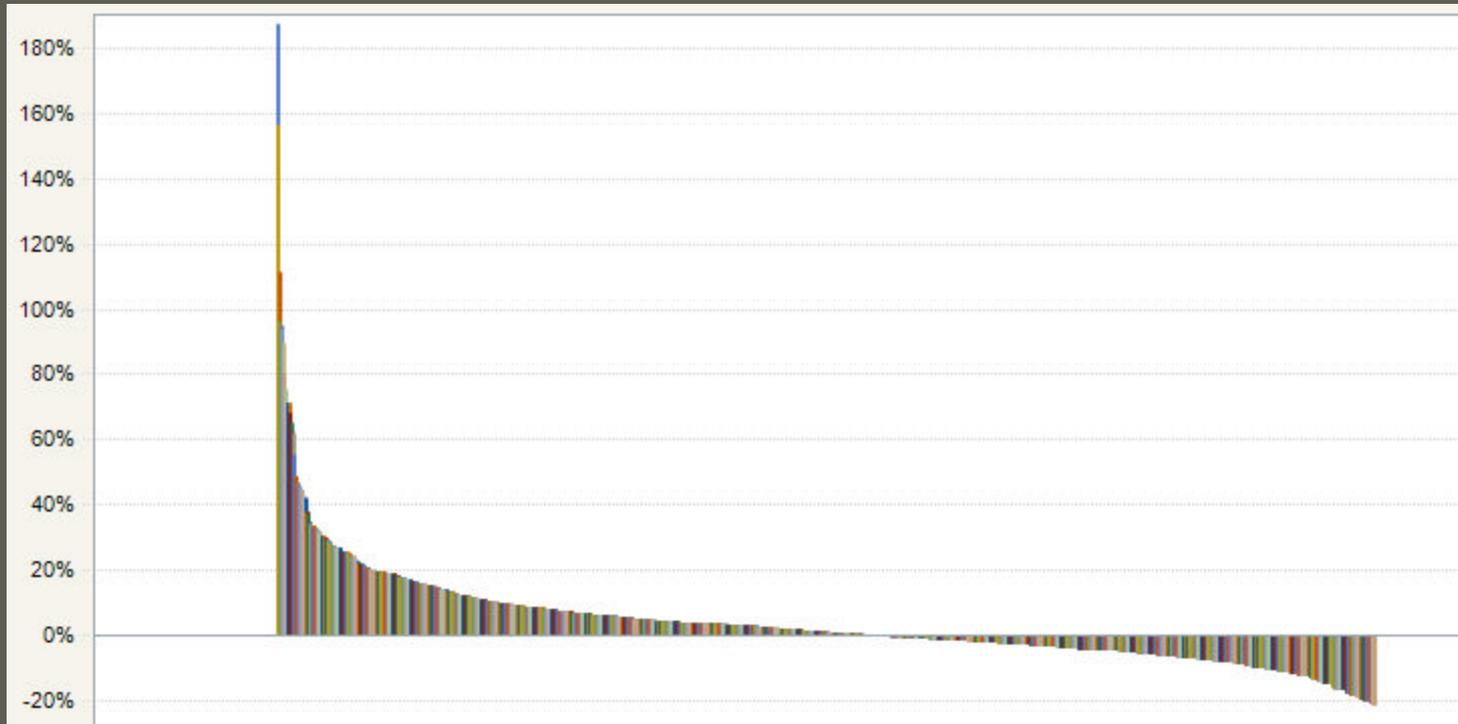
- Annual growth in student enrollment on average

83,000

- Based on average annual growth for five years

# Other Challenges Cont....

Chart shows four-year percent student enrollment change all ISDs through school year 2008-2009



52% ISDs increasing enrollment over five school years

# Other Challenges Cont....

- Fiscal year 2010
- Deficit budgets 50% of ISDs
- (\$ 804.6 M)

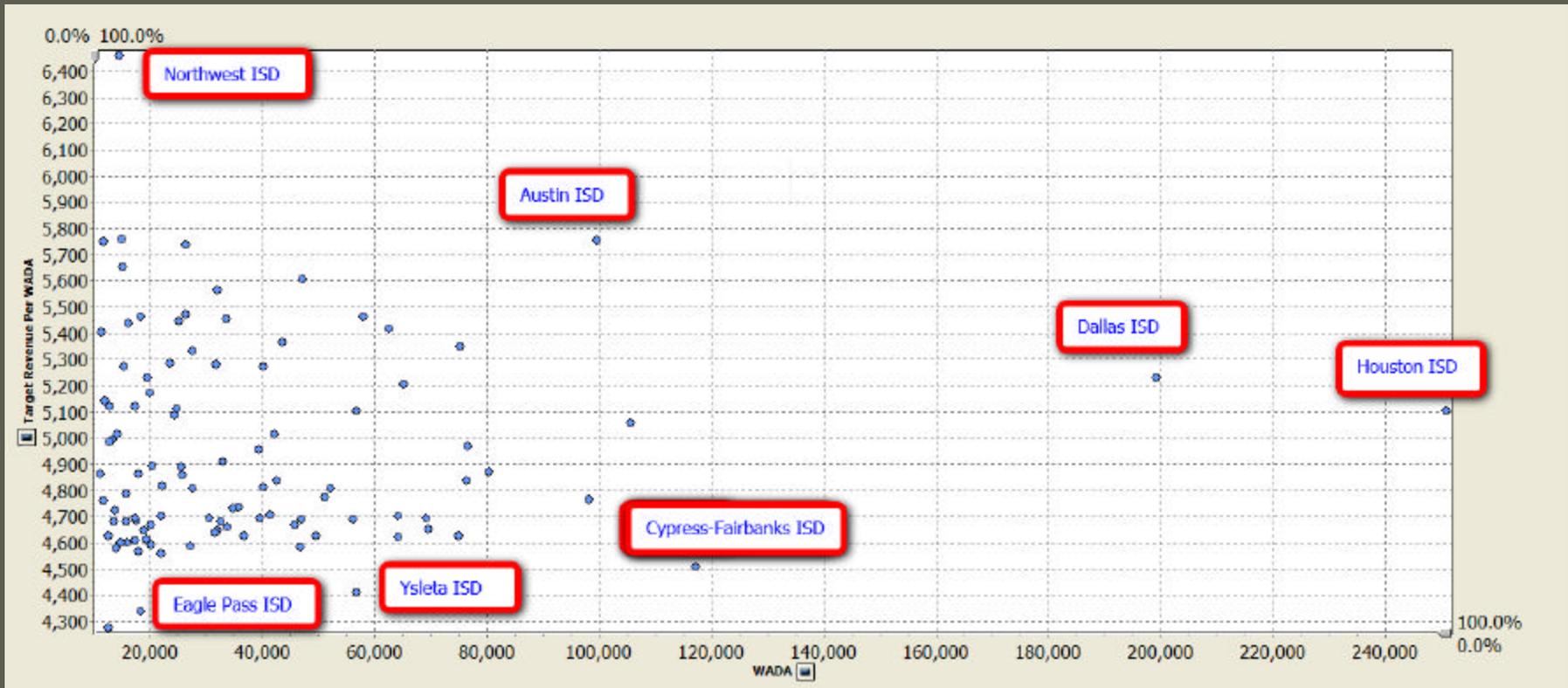
# Other Challenges Cont....

- Top ten deficit budgets FY 2010

HOUSTON ISD	\$134,889,801
ALDINE ISD	\$48,033,309
AUSTIN ISD	\$36,043,388
NORTHSIDE ISD	\$34,023,292
FRISCO ISD	\$20,388,619
FORT BEND ISD	\$18,526,558
ROUND ROCK ISD	\$16,245,442
LEWISVILLE ISD	\$15,179,849
SPRING BRANCH ISD	\$13,447,055
LUBBOCK ISD	\$12,675,013

# Other Challenges Cont....

100 Largest Enrollment School Districts  
 Target Revenue Per WADA School Year 2008-2009



WADA – Weighted Average Daily Attendance

## Perception - High Administrative Costs

- Perception - Most costs outside of teacher classroom are administrative
- Fact - Very small portion of education budget is allocated to district and campus administration
  - Central 3.1%
  - Campus 5.6%
- New mandates are layered every year onto historical mandates
- Administrative costs relatively flat year-over-year as percent of total budget

## Perception - High Administrative Costs con't....

- Perception – Elimination of all funds for administration would free up resources for instruction
- Fact - Elimination of all budgetary allocations for central administration would not have a significant financial impact and would not eliminate the administrative requirements. Someone must do the work.
- Noncompliance with regulatory mandates results in financial penalties.

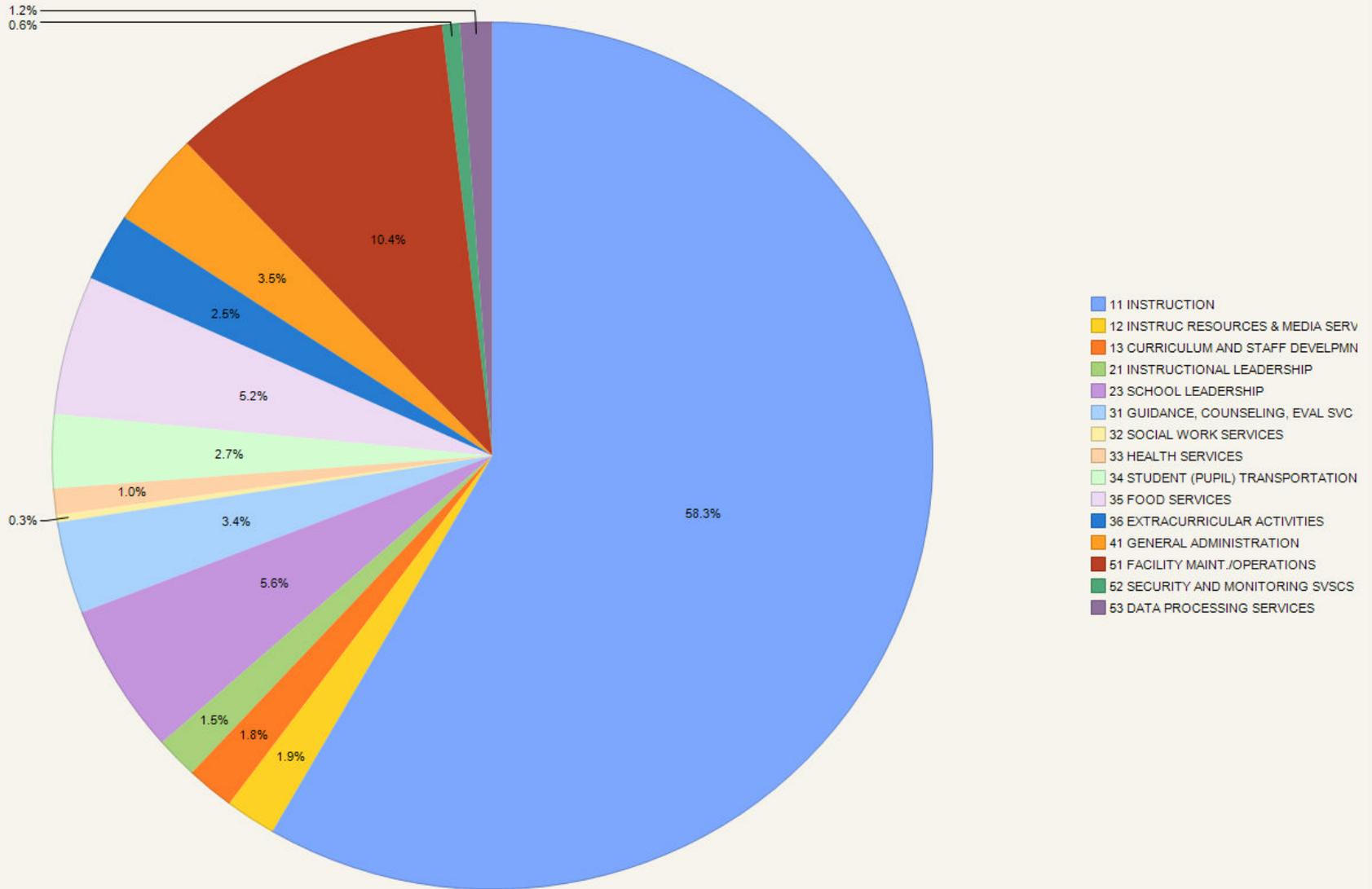
## Perception - High Administrative Costs Cont'....

- Perception – Increasing portion of education budget is consumed year-over-year by administration
- Fact – Administrative costs show only a small change year-over-year as percent of total budget and have declined since 2003

# Operating Expenditures FY 03

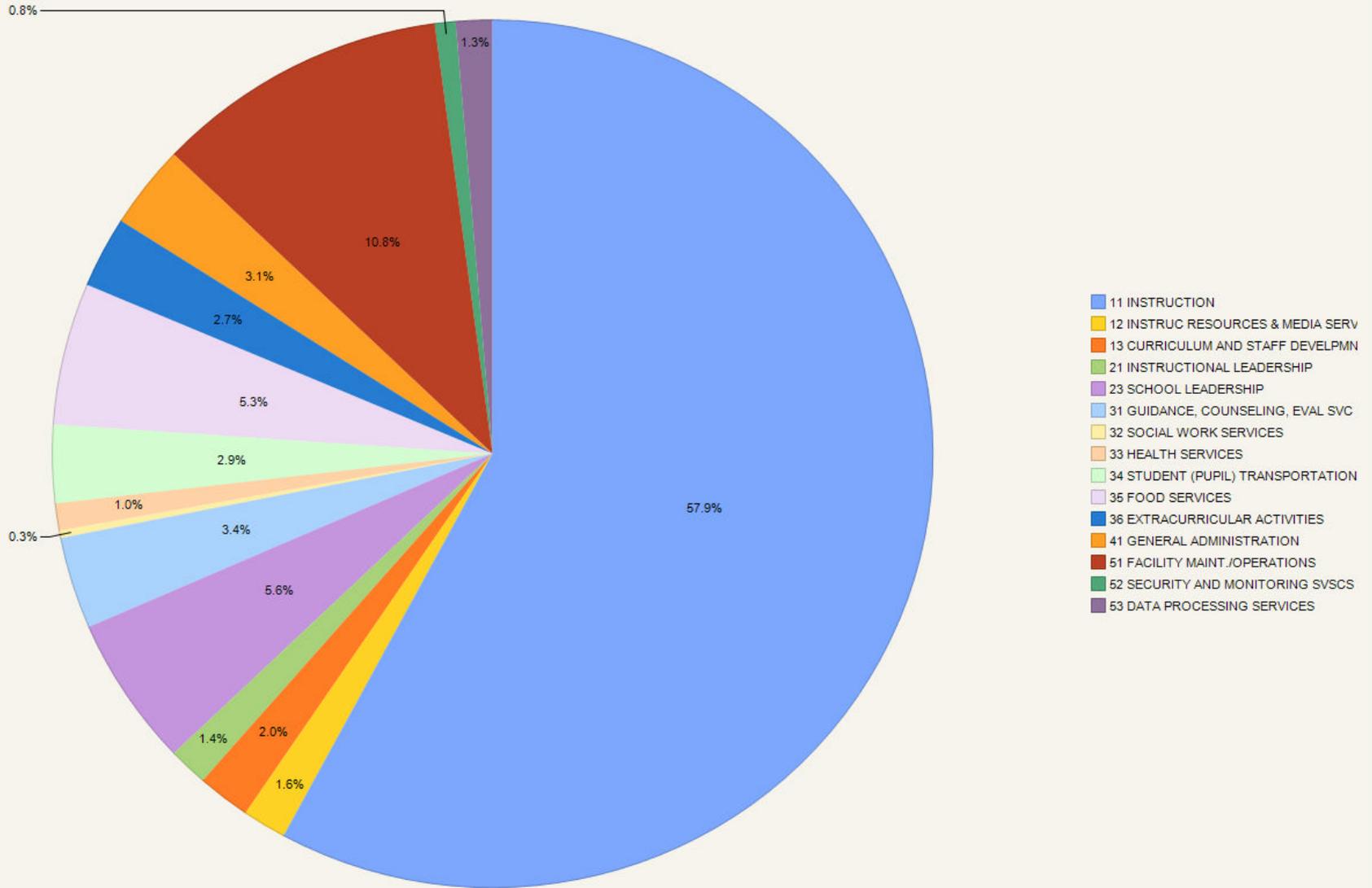


Operating Expenditures by Function FY 2003



# Operating Expenditures FY 08

Operating Expenditures by Function FY 2008



# Resources

- What is TASBO doing to improve support services in Texas school districts?
- Resources include:
  - Training
  - Best practices web site
  - Business analytics tool eFACTS+
  - Onsite management reviews
  - Certification program

# Resources

Con't...

- Upgrade to knowledge management tools in progress
- Mentoring program
- Award of Merit Program
  - Future expansion by function
- Performance Excellence Program (based on Baldrige)

# Resources Cont...

- TASBO Performance Excellence Program
  - TASBO PEP
- Malcom Baldrige Education Criteria for Performance Excellence
- Program of National Institute Standards and Technology
- <http://www.baldrige.nist.gov/>

# Resources Cont....

- TASBO's goal is to be a resource for:
  - Performance excellence using the National Baldrige criteria as a framework for improvement.
  - Recognize achievement of performance excellence
  - Increase number of schools that also pursue National-level Malcolm Baldrige award
- Tiered award program
  - Recognize progress implementing Baldrige Goals and Objectives

# Resources Cont....

## ○ TASBO PEP

- Rigorous evaluation

- Leadership;
- Strategic planning;
- Customer focus;
- Measurement, analysis and knowledge management;
- Workforce focus;
- Process management; and
- Results

## ○ Implementation Systems and processes is not achieved overnight

# Resources Cont....

- Malcolm Baldrige Performance Excellence
  - Hypothetical investment in company winners outperformed S&P 500 by 4.8 to 1
  - Award winners
    - Higher level of quality
    - Lower costs
    - World class results



*Transform Data to Intelligence*

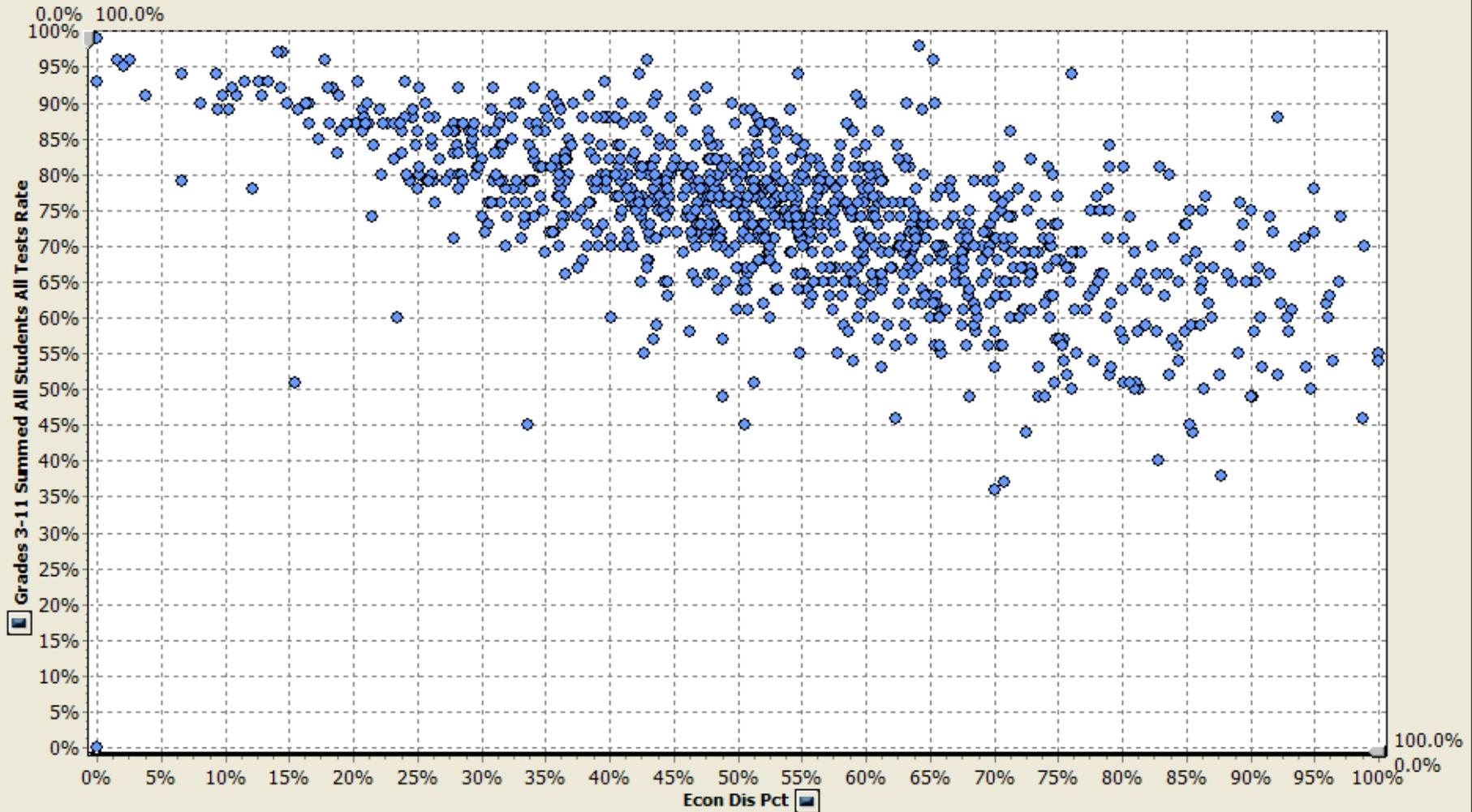
*A Case  
Study*

# eFACTS+

## Advanced Business Analytics

- Observe patterns and correlations in
  - Financial Resources
  - Staff Resources
  - Student Demographics and
  - TAKS performance

# Sample Benchmark Reports



Source: SY 2008-2009 AEIS

# Sample Benchmark Reports

3000 Total Fund Balances General Fund for PREMONT ISD (125905), 2007-2008 (Year)



	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
3000 Total Fund Balances General Fund	\$1,942,812.00	\$1,594,940.00	\$1,241,856.00	(\$63,303.00)	(\$965,278.00)	
All Staff Tot FTE #	144.0	149.9	142.0	135.2	125.5	96.6
All Students #	940	890	810	754	712	666

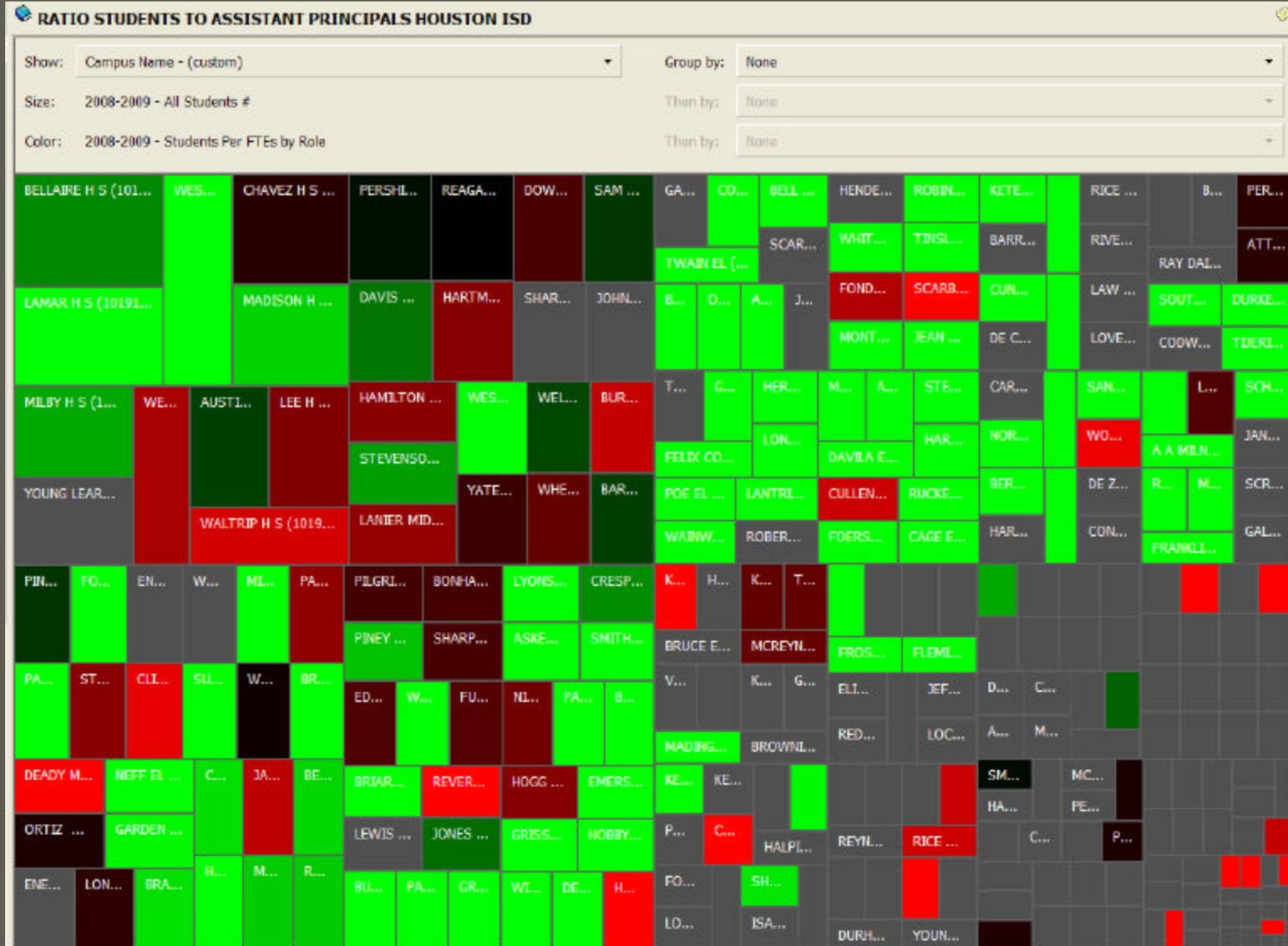
Total Students and Total Staff and Fund Balance General Fund

# Sample Benchmark Reports



Operating Cost Per Student By Campus For An ISD

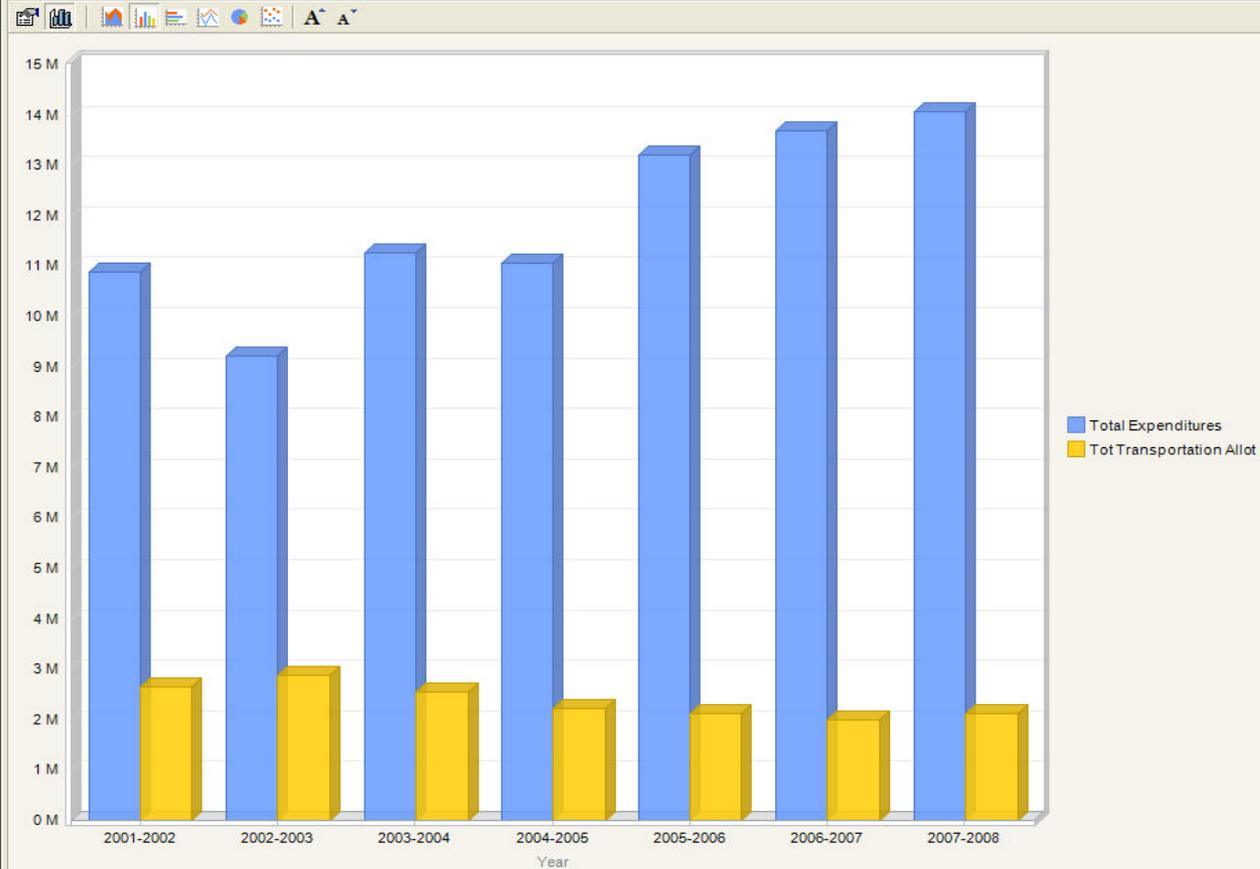
# Sample Benchmark Reports



# Sample Benchmark Reports

Total Expenditures for 34 STUDENT (PUPIL) TRANSPORTATION, 199 GENERAL FUND, 2007-2008 (Year)

District Name: BROWNSVILLE ISD (031901)



	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total Expenditures	\$10,885,861.00	\$9,216,270.00	\$11,250,663.00	\$11,064,406.00	\$13,195,335.00	\$13,677,065.00	\$14,075,729.00
Tot Transportation Allot	\$2,640,585.00	\$2,884,002.00	\$2,563,085.00	\$2,229,671.00	\$2,120,105.00	\$1,989,486.00	\$2,111,485.00

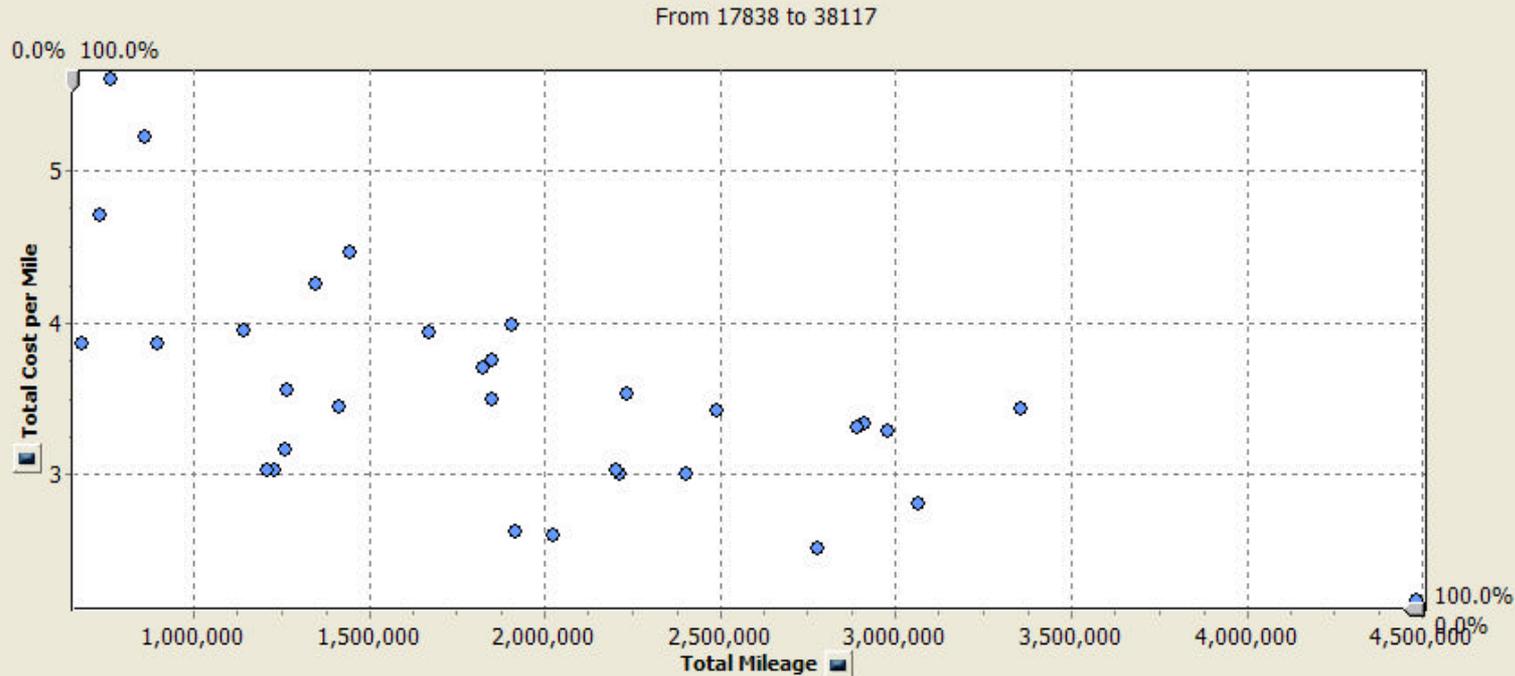
State Aid Funding Transportation and Costs

# Sample Benchmark Reports



## All Descendants

District Enrollment: From 17838 to 38117



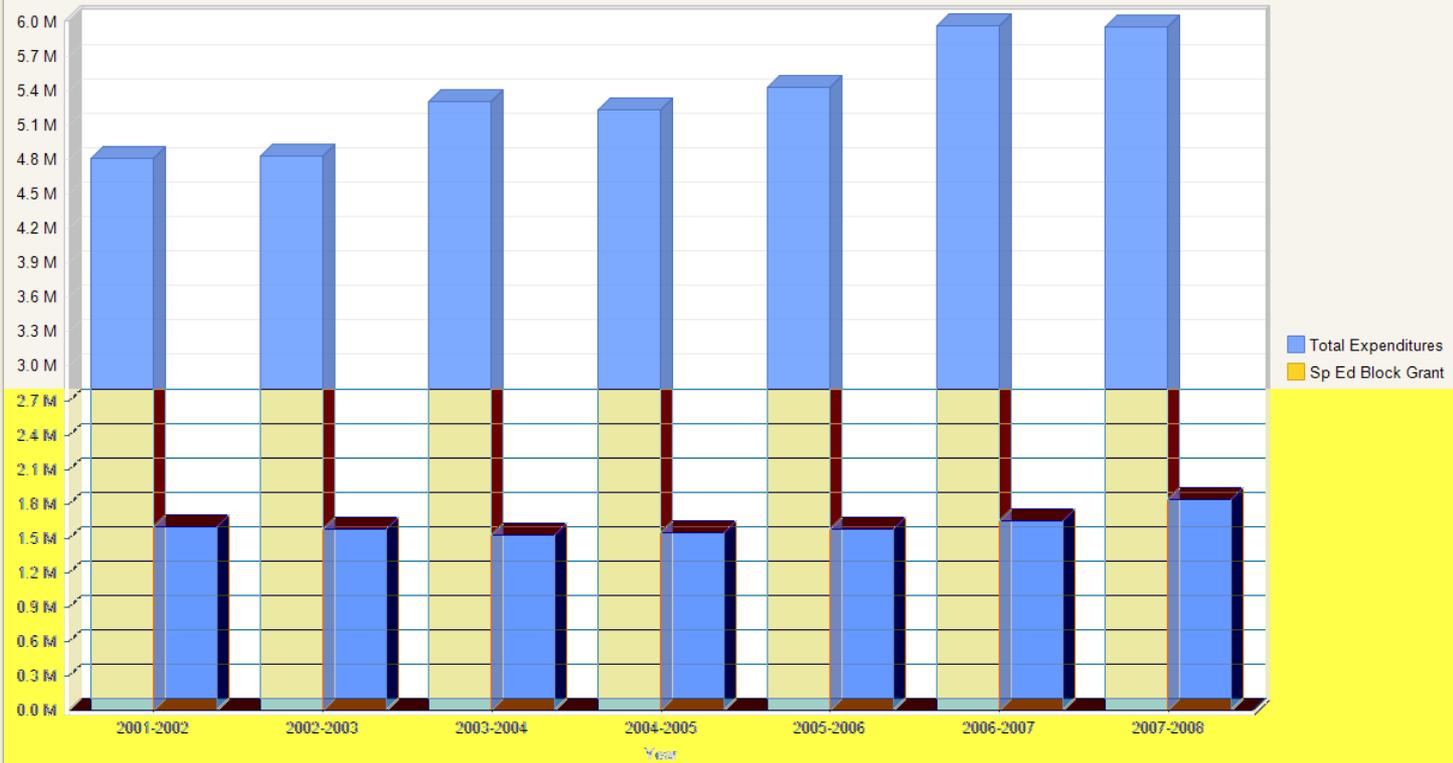
	Total Mileage	Total Cost per Mile
LA JOYA ISD (108912)	4,484,238	\$2.16
SPRING ISD (101919)	3,355,131	\$3.43
HUMBLE ISD (101913)	3,066,831	\$2.81
EDINBURG CISD (108904)	2,978,824	\$3.29
CLEAR CREEK ISD (084910)	2,911,724	\$3.33
BEAUMONT ISD (123910)	2,889,651	\$3.31
MIDLAND ISD (165901)	2,776,246	\$2.51
KILLEEN ISD (014906)	2,489,501	\$3.42

Total Cost Per Mile and Total Mileage

# Sample Benchmark Reports

Total Expenditures for 199 GENERAL FUND, total of 15 District Function Number selections, 23 SERVICES TO STUDENTS W/DISABIL, 2008-2009 (Year)

District Name:



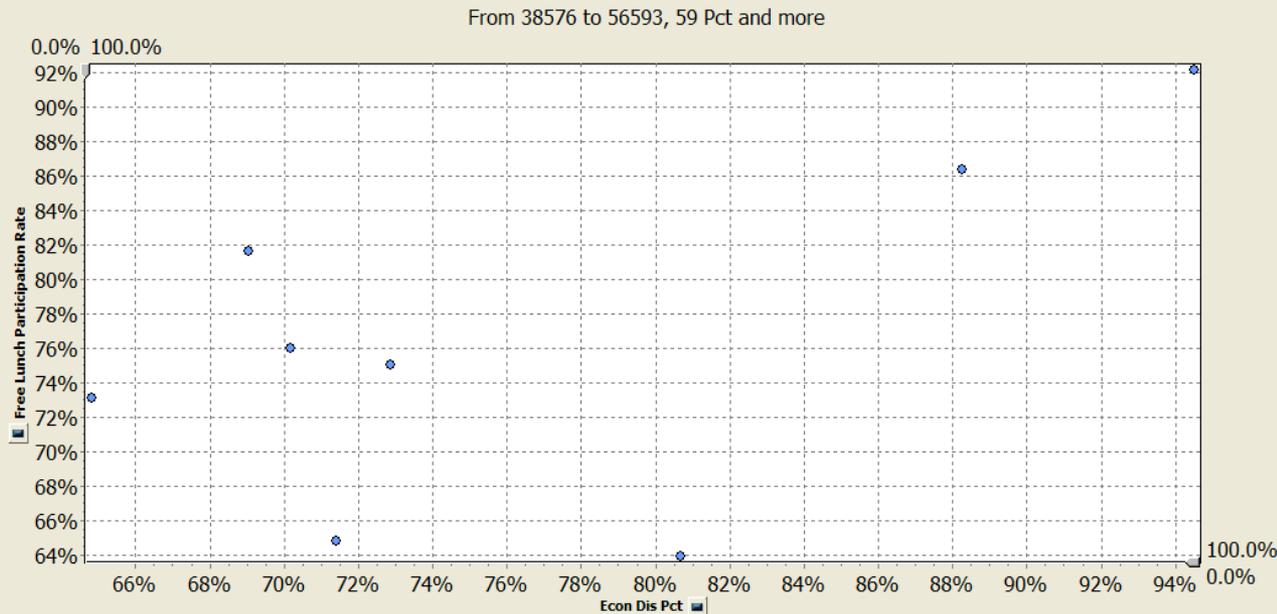
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Total Expenditures	\$4,809,136.00	\$4,834,235.00	\$5,305,732.00	\$5,234,361.00	\$5,435,405.00	\$5,969,670.00	\$5,956,925.00
Sp Ed Block Grant	\$1,597,228.00	\$1,583,916.00	\$1,527,772.00	\$1,547,720.00	\$1,584,499.00	\$1,650,897.00	\$1,835,810.00

State Aid Funding Special Education and Costs

# Sample Benchmark Reports

## All Descendants

District 4 Yr Student Growth: All Districts  
 District Taxable Value Per Student: All Districts  
 District Enrollment: From 38576 to 56593  
 District Econ Dis Pct: 59 Pct and more



	Econ Dis Pct	Free Lunch Participation Rate
BROWNSVILLE ISD (031901)	94.5%	92.18%
SAN ANTONIO ISD (015907)	88.3%	86.40%
PASADENA ISD (101917)	69.0%	81.63%
ALIEF ISD (101903)	70.2%	76.03%
SOCORRO ISD (071909)	72.9%	75.08%
CORPUS CHRISTI ISD (178904)	64.8%	73.12%
UNITED ISD (240903)	71.4%	64.85%
YSLETA ISD (071905)	80.7%	63.94%

Pct Econ Disadv and Free Lunch Participation  
 Comparable School Districts

# Sample Benchmark Reports



Insurance Costs

# Sample Benchmark Reports



# Questions?